

***In Fresno Press Conference, Central Valley Lawmakers Express Concern Over Waste From Reconstruction Effort and Ballooning Deficits***

**Fresno, CA** - Congressmen Jim Costa (D-Fresno) and Dennis Cardoza (D-Merced) today called for greater accountability for federal dollars spent on Gulf Coast recovery and reconstruction as well as a renewed focus on fiscal responsibility in light of the current crisis. In addition, Costa and Cardoza supported the issuance of "Katrina" and "Rita" bonds, which would reduce the level of U.S. borrowing from foreign countries to pay for this unprecedented recovery effort.

Costa:

"It is extremely difficult to watch our fellow citizens suffer through these disasters. While it is our responsibility to explore all potential avenues for aid to the many people who are in need; it is also our duty to ensure the funds raised are used to provide relief in an appropriate manner."

"Through implementation of Katrina and Rita Bonds, reform of the Medicare prescription drug plan and placement of a moratorium on tax cuts we can assure fiscal accountability in relief funding. It is our obligation to provide for our future generations while we responsibly deal with today's crises."

Cardoza:

"My thoughts and prayers go out to everyone who is suffering due to these natural disasters. Congressman Costa and I are both committed to providing all resources needed to aid victims and to rebuild shattered communities. We must ensure that these funds go to the communities devastated by these Hurricanes - not to line the pockets of unscrupulous

contractors hoping to benefit from tragedy. &quot;

&quot;This catastrophe will cost the federal government hundreds of billions of dollars. Due to the current fiscal crisis, we are now forced to borrow staggering sums of money. This will mean exploding deficits and soaring debt. It is time to finally implement long-overdue common-sense budget reforms. In addition - by issuing ‘Katrina’ and ‘Rita’ bonds - to be sold only to Americans - the U.S. can reduce its dependence on borrowing from China and Saudi Arabia to fund the Gulf Coast recovery effort.&quot;

Congressmen Costa and Cardoza Proposals:

- **Issue ‘Katrina’ and ‘Rita’ Bonds**

*The outpouring of charitable donations in response to Katrina was extraordinary. American investors should also participate by being able to purchase ‘Katrina’ and ‘Rita’ bonds - US Treasury bonds to be sold over the next year to American citizens and companies. These bonds would be sold only to US buyers and would enable us to reduce our growing dependence on foreign capital to fund our rebuilding efforts*

- **Reform the Faulty Medicare Prescription Drug Plan**

*Congress can rewrite the President's deeply flawed Medicare Prescription Drug law - preserving the good aspects such as benefits for low-income seniors, the drug discount cards that seniors have already received, and the benefits for safety net and rural hospitals - and save several hundred billion dollars in the next ten years.*

***Savings: \$20 billion in FY05; \$32.8 billion in FY06, \$724 billion in FY06-15***

- **Force Government to be Accountable for Runaway Deficits**

*Our nation is currently facing a fiscal catastrophe that could have been avoided. The broken*

*budget process has led to deficits of historic proportions, and these debts have left our nation ill-prepared to absorb the costs of post-Katrina and Rita reconstruction. To get our nation back on track, we call for the following:*

- *A bipartisan budget summit between the President and Congress.*
  
- *Immediate enactment of the Blue Dog budget process reform plan, which includes such sensible measures as restoration of Pay-As-You-Go or PAYGO limits so that any new spending must be paid for by cuts in other programs or by new revenues, and a rainy-day fund to prepare for future contingencies.*

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